

Estimated Fiscal Impact of Bill # HB 155 Date February 6, 2009Short Title Equalization of Funding for Divided School DistrictsContact Cathy Ann DudleyTitle MSP Budget and Property Tax SpecialistAgency Utah State Office of EducationPhone 801.538.7667**Short Form**

Use only when there is no appropriation needed for state agencies, and no fiscal impact on state revenues, local governments, businesses, or individuals.

If the bill looks like it should have a fiscal note, explain why it does not. For example, a bill might put into code something that is already current practice.

Attachments welcome.

- ☒ State agencies will not require an appropriation to implement the bill.
☐ There is no fiscal impact on local governments.
☐ There is no fiscal impact on businesses
☐ There is no fiscal impact on individuals.
☐ The bill will not affect revenues.

Explain why this bill has no fiscal impact.

A. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

53A-2-118.3(4) requires a qualifying divided school district to impose a *divided school district* levy in order to qualify for the state contribution toward the Minimum School Program.

B. Which program gets the appropriation?

(Approp. Unit Code)

(To appropriate to an additional program use an additional form.) This is ____ of ____.

C. Work Notes: Assumptions, calculations & what are we buying?

Assume that a legislator calls you in to explain how you came up with your fiscal impact and these are the only notes you get to take with you.

List all costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what \$50,000 will buy.

Attachments encouraged.

The objective of this bill is to try and avoid a property tax increase in the remaining Jordan School District property boundaries after the school district split has occurred.

On the worksheet titled *H.B. 155 Analysis* there is a calculation estimating the *Equalized Property Tax Revenue per Enrolled Student* and the *Total Equalized Property Tax Revenues*. On the worksheet titled *0.0006 Analysis* there is an estimated calculation of what the 0.0006 tax rate generates using current year data. As the bill regulates, Jordan School District and Canyons School District will levy a *Divided School District Levy* that will generate an amount of property tax revenue equal to the total equalized property tax revenue minus the sum of the capital outlay increments (the difference between what they generate and what they receive from other school districts). The county treasurer will distribute those revenues generated by the divided school district levy in proportion to each school district's proportion of total current year enrollment within the qualifying divided school district as of the October 1 enrollment counts in the calendar year in which the levy is imposed.

The aggregate tax rate of a school district located in a qualifying divided school district may not exceed 0.006200 per dollar of taxable value--excluding the basic rate and the debt service rate. This bill has retrospective operation for a taxable year beginning on or after January 1, 2009.

Fiscal Impact Tables

Current Budget Year
FY 2009

Coming Budget Year
FY 2010

Future Budget Year
FY 2011

D. If this is a revenue bill, show impacts here. (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

E. Show Costs to Implement the Bill by Fund (Select funds from drop-down menu.)

Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

F. Show Costs to Implement the Bill by Expense Category.

Personal Services			
Travel			
Current Expense			
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

G. How will the bill impact local governments?

Your estimate of the bill's impact
on local governments.

Attachments welcome.

It is important to point out that this initially may not be a property tax rate increase, but we do not know what the Boards of Education of the divided school districts will do in the future.

H. How will the bill impact businesses?

Your estimate of the bill's impact
on businesses.

Attachments welcome.

Businesses may or may not see a property tax increase depending on what the Boards of Education will do in the future.

I. How will the bill impact individuals?

Your estimate of the bill's impact
on individuals.

Attachments welcome.

Individuals may or may not see a property tax increase depending on what the Boards of Education will do in the future.

		FY09 Adjusted Assessed Valuations Sum of Valuations	FY09 Total Tax Rate	Basic Rate	Debt Service
Jordan School District	(1)	33,034,216,781	0.006150	0.001250	0.001142
Tax Revenue Yield	(2)	203,160,433			
Minus Basic Rate Revenue	(3)	41,292,771			
Minus Debt Service Revenue	(4)	37,725,076			
Total amount of Property Tax revenue minus the Basic Rate and Debt Service Rate	(5)	124,142,587			
Fall Enrollment October 1, 2008	(6)	81,017			
Equalized property tax revenue per enrolled student:		1,532	Fixed Number	<i>Initial Estimate - 2-6-09</i>	
Total Equalized Property Tax Revenue		124,142,587			

District	FOR SCHOOL DISTRICTS THAT HAVE DIVIDED						
	3 Year Average	First Class County School Districts' October 1, 2008 Enrollment	COUNTY CLASS	TAX REVENUE GENERATED BY IMPOSED TAX RATE OF:	TOTAL DISTRIBUTED @ 25% THREE YEAR AVERAGE GROWTH INCREASE	TOTAL DISTRIBUTED @ 75% BASED ON SCHOOL DISTRICTS' FALL ENROLLMENT TO THE TOTAL	Increase/decr ease of 0.0006 from a school district
	Growth Increase			0.0006	\$48,933,182	\$36,699,886	
	15	16	17	18	19	20	21
1 Alpine			2				
2 Beaver			4				
3 Box Elder			3				
4 Cache			3				
5 Carbon			4				
6 Daggett			6				
7 Davis			2				
8 Duchesne			4				
9 Emery			5				
10 Garfield			5				
11 Grand			5				
12 Granite	-	68,403	1	\$15,225,880	\$0	\$13,981,055	(\$1,244,824)
13 Iron			3				
14 Jordan	1,490.0	47,857	1	\$9,383,554	\$12,233,295	9,781,608	12,631,350
15 Juab			5				
16 Kane			5				
17 Millard			4				
18 Morgan			5				
19 Nebo			2				
20 No. Sanpete			4				
21 No. Summit			3				
22 Park City			3				
23 Piute			6				
24 Rich			6				
25 San Juan			4				
26 Sevier			4				
27 So. Sanpete			4				
28 So. Summit			3				
29 Tintic			5				
30 Tooele			3				
31 Uintah			4				
32 Wasatch			4				
33 Washington			2				
34 Wayne			6				
35 Weber			2				
36 Salt Lake	-	23,678	1	\$11,490,854	\$0	4,839,604	(6,651,250)
37 Ogden			2				
38 Provo			2				
39 Logan			3				
40 Murray	-	6,458	1	\$2,395,918	\$0	1,319,966	(1,075,952)
42 Canyons	-	33,160	1	\$10,436,976	\$0	6,777,653	(3,659,323)
Unallocated							
Total/Average	1,490	\$ 179,556		48,933,182	12,233,295	36,699,886	-